

## **Subject 901**

### **How to Compute Tax**

The tax computation for nonresident and part-year residents of Arkansas is made using Form AR1000NR. Enter total income and total adjustments from all sources in Columns A and B of Form AR1000NR.

Enter the income earned while you were an Arkansas resident and/or the income derived from Arkansas sources in Column C. Enter adjustments to income incurred while an Arkansas resident in the adjustment section. Married couples should enter the total combined Arkansas income for both spouses in Column C.

If you are itemizing your deductions, complete the Arkansas Itemized Deduction Schedule listing all deductions as if you were a full-year resident of Arkansas. After computing net taxable income, select the proper tax table for computing your tax liability. If you owe additional taxes from a lump sum distribution and/or taxes attributable to qualified retirement plans, add this amount to the tax computed from the tax table to arrive at your total tax. Subtract all allowable tax credits from your total tax. This amount is your net tax to be apportioned. For information on how to compute apportionment access Subject 902.